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### **The Main Dimensions of Sino-American Relations 1989–2001**

The United States of America and the People's Republic of China are nowadays two the most important countries in the world, taking into account the size of their territories, population and Gross Domestic Product. On the other hand, they are extremely different if we look at their cultural heritage, political systems or their present position on the world political stage. We may predict that their bilateral relations may be crucial for the future of our globe in general and for the Asia-Pacific Rim in particular. This is why it is beneficial to briefly trace the history and try to anticipate the prospects of this curious relationship.

The twelve-year span we'd like to analyze here is marked off with two landmarks: the Tiananmen Square massacre, which took place in 1989 and resulted in a form of exclusion of China from the international community, and the terrorist attacks of September 11<sup>th</sup> 2001, which were a sort of catalyst for the already improving bilateral relations. The other milestone which should be mentioned here is the accession of the PRC (The People's Republic of China) to the World Trade Organization (WTO) in November 2001, which was a symbolic completion of the Chinese efforts to overcome the imprint of the Tiananmen events and "join the world" (the latter was commenced in 1978–1979 when Deng Xiaoping announced the program of "four modernizations" and opening to the world).

#### **Historical Overview**

World War II brought about an increase in China's role for the sake of participation in the anti-Japanese coalition. China was perceived as potential U.S. ally in East Asia in case of the revitalizing of Japanese militarism. That is why the U.S. president, F.D. Roosevelt, convinced the coalition partners to grant China permanent U.N. Security Council membership.<sup>1</sup>

The situation dramatically changed in 1949, when communist forces, led by Mao Zedong, prevailed against the National forces, which withdrew to Taiwan (known then as Formosa), setting up the Republic of China. In spite of the fact that President Harry S. Truman and Dean Acheson, the Secretary of State at that time, characterized China as situated outside America's defensive perimeter in Asia, no action to establish diplomatic relations with the PRC was undertaken.<sup>2</sup>

Such a possibility ended in June 1950, when the Korean War broke out. In 1951 the U.S. decided on giving military help to Taiwan, which was anteceded by the entrance of the 7<sup>th</sup> Fleet into the Taiwan Strait in 1950. In the fifties two more crises related to the problem of Quemoy and the Matsu Islands took place. The first resulted in the signing of the Mutual Defense Treaty between the U.S. and the RoC (Republic of

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<sup>1</sup> See A. Nathan, R. Ross, *The Great Wall and the Empty Fortress: China's Search for Security*, W.W. Norton, New York 1997, pp. 56–57.

<sup>2</sup> See E. Club, *America's China Policy*, "Current History," January 1989.

China – Taiwan)<sup>3</sup>, and the second in the Warsaw talks, which became the permanent forum for resolving the Taiwan Strait problems caused by both sides.<sup>4</sup>

The gradual improvement of the bilateral relations resulted from two main factors: the deterioration of Sino-Soviet relations in the sixties, which reached a peak in 1969 when the clash on the Ussuri River took place<sup>5</sup>, and the improvement of the attitude towards China in the United States. The first important sign of the improvement of bilateral relations was the assurance given to the Chinese government in 1962 that Taiwan wouldn't attack the PRC. Then next important signal was an article written by R. Nixon in 1967, in which he said that "China should no longer be treated as a pariah"<sup>6</sup> and new attitude towards China, perceiving it as a strategic partner in confrontation with the Soviet Union.<sup>7</sup>

The critical year in bilateral relations was 1971, when a U.S. ping-pong team visited China at Mao's invitation.<sup>8</sup> The so-called "ping-pong diplomacy" was followed by the secret visit of the National Security Adviser Henry Kissinger. In almost 20-hour talks with Premier Zhou he discussed the preconditions of R. Nixon's visit to China.<sup>9</sup> In 1971, the General Assembly of the United Nations decided that the only legal government of China was the government of the People's Republic of China, which resulted in the exclusion of Taiwan from all U.N. bodies.

President Nixon visited China in February, 1972. The outcome of this visit was the *Shanghai Communiqué*, wherein the U.S. agreed not to question the "one China" principle, and both countries decided to work upon the establishment of full diplomatic relations as well as improvement of the security environment in East and South-East Asia. They both promised not to seek hegemony in the Asia-Pacific.<sup>10</sup>

Despite such declarations, the world had to wait seven years for the instituting of full diplomatic relations. The rapprochement was hampered by internal factors in both countries. The U.S. administration was weakened by the Watergate scandal and didn't want to risk a confrontation with the conservative wing, which opposed close relations with communist China. On the other hand, the crisis in the PRC after Mao's death

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<sup>3</sup> See *Mutual Defense Treaty Between the United States of America and the Republic of China*, at [http://usinfo.org/sino/dtreaty\\_e.htm](http://usinfo.org/sino/dtreaty_e.htm)

<sup>4</sup> N. Bernkopf-Tucker, *China and America: 1941–1991*, "Foreign Affairs," Winter 1991/1992.

<sup>5</sup> See R. Foot, *The Practice of Power: US Relations with China since 1949*, Oxford University Press, New York 1995, pp. 114–142; A. Nathan, R. Ross, op.cit., pp. 43–44; R. Pfaltzgraff, *China, Soviet Strategy, and American Policy*, "International Security," vol. 5, no. 2, Autumn 1980.

<sup>6</sup> See R. Nixon, *Asia after Vietnam*, "Foreign Affairs," Autumn 1967.

<sup>7</sup> This is connected with Chinese diplomacy after 1949. After the so-called "revolutionary period" (from 1949), China entered into "the strategic triangle" (in the 70s) followed by the "open door" policy (from the mid-eighties). See D. Roy, *China's Foreign Relations*, Rowman & Littlefield Publishers inc., Lanham–New York–Boulder–Oxford 1998, pp. 13–14.

<sup>8</sup> Chinese prime minister Zhou Enlai said: "You open a new historical chapter in the bilateral relations between Chinese people and American people." See *Ping-Pong Diplomacy* [in:] *Chronology of China–US Relations*, at <http://www.china.org.cn/english/china-us/26890.htm>

<sup>9</sup> A wide range of matters, including the Taiwan question, relations with Japan, South-East Asia, South Asia etc., was also discussed. See H. Kissinger, *Memorandum for the President: My Talks with Chou En-lai* (July 14, 1971), at <http://www.gwu.edu/~nsarchive/NSAEBB/NSAEBB66/ch-40.pdf>

<sup>10</sup> See *The U.S.–China Communiqué, Shanghai, February 27, 1972*, at [http://www.usinfo.org/docs/basic/shanghai\\_e.htm](http://www.usinfo.org/docs/basic/shanghai_e.htm)

resulted in a lack of a person who could hasten the negotiations till 1978, when power was taken over by Deng Xiaoping.<sup>11</sup>

The full normalization of bilateral relations took place on January 1<sup>st</sup>, 1979 and was preceded by a joint *communiqué* published simultaneously in Beijing and Washington in December 1978.<sup>12</sup> At the same time, diplomatic recognition for the Republic of China on Taiwan was withdrawn and the *Mutual Defense Treaty* between Taiwan and the U.S.A. was broken off. Instead of full diplomatic relations, the U.S. and the RoC maintained the quasi-diplomatic relations.<sup>13</sup> In addition to the aforementioned, the U.S. Congress passed the *Taiwan Relations Act*, which guaranteed the preservation of cultural and economic ties, stressing that the future of Taiwan could be determined only by peaceful measures and that the U.S. would deliver defensive weapons to the island and maintain its ability to defend itself against the mainland's aggression.<sup>14</sup>

The situation was complicated during the 1980 presidential campaign, when the Republican candidate, R. Reagan, refused to acknowledge the *Shanghai Communiqué* and denied "Carter's shameful abandonment of Taiwan,"<sup>15</sup> which was followed by an increase the deliveries of U.S. weapons to Taiwan. The strategic situation motivated the administration to sign the subsequent *Shanghai Communiqué*, which stated a limit that U.S. arms sales to Taiwan would not exceed, either in qualitative or in quantitative terms. Apart from a reiteration of matters that had been agreed on beforehand, the *communiqué* was rather a kind of "protocol of disparities" between China and the U.S.<sup>16</sup>

In spite of these problems, U.S.-Chinese cooperation in the 80s greatly improved. There is no doubt that Chinese participation in "the strategic triangle" helped in China's economic modernization and R. Reagan's presidency proved that pragmatism in foreign policy was strong enough to outweigh ideological differences.<sup>17</sup>

### **Tiananmen Massacre and the Bush's Policy towards Beijing**

George Walker Herbert Bush became the U.S. president in January 1989. The administration, as National Security Adviser Brent Scowcroft has written, has been seeking a pretext to go to China before the Soviet leader M. Gorbachev, who was

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<sup>11</sup> See N. Bernkopf-Tucker, *China and America: 1941–1991*, "Foreign Affairs," Winter 1991/1992.

<sup>12</sup> The *communiqué* reiterated that neither the U.S. nor the PRC would seek a hegemony in the region and stressed the role of both in the maintenance of peace and stability in the Asia-Pacific Region. See *Joint Communiqué on the Establishment of Diplomatic Relations Between the United States of America and the People's Republic of China*, January 1, 1979, at [http://www.usinfo.org/docs/basic/prc\\_e.htm](http://www.usinfo.org/docs/basic/prc_e.htm). About the role of U.S.–China rapprochement in the region and the world, see J. Pollack, *The Implications of Sino-American Normalization*, "International Security," vol. 3, no. 4, Spring 1979.

<sup>13</sup> American interests in Taiwan are represented by the American Institute on Taiwan, and Taiwanese interest in the U.S. by the Coordination Council for North American Affairs [currently (from 1995) Taiwan Economic and Cultural Office in the US].

<sup>14</sup> See *Taiwan Relations Act*, at [http://www.usinfo.org/docs/basic/tra\\_e.htm](http://www.usinfo.org/docs/basic/tra_e.htm)

<sup>15</sup> See N. Bernkopf-Tucker, *op.cit.*

<sup>16</sup> See *U.S.-PRC Joint Communiqué*, August 17, 1982, at [http://www.usinfo.org/docs/basic/817\\_e.htm](http://www.usinfo.org/docs/basic/817_e.htm)

<sup>17</sup> A more detailed analysis of bilateral relations is to be found in R. Garson, *The United States and China Since 1949: A Troubled Affair*, Printer Publishers, London 1994, pp. 22–196; R. Foot, *op.cit.*, *passim*. See also the analysis of the relations 1972–1988 in C. Langlois, J.P. Langlois, *Rationality in International Relations: A Game-Theoretic and Empirical Study of U.S.–China Case*, "World Politics," no. 48, April 1996.

supposed to go there in May. There was no reason, however, to justify such a visit till the death of the Japanese emperor Hirohito, who died in January. G. Bush decided to pay a visit to Beijing after his funeral and landed there on February 25<sup>th</sup>. It was a “signal of the new era’s priorities” for the administration, because newly-appointed presidents used to go to Europe first.<sup>18</sup> The meeting with Deng Xiaoping was devoted largely to Sino-Soviet relations, and assured G. Bush that those relations were still far from perfect, hence there was no threat to the U.S. and prospects of further development of Sino-American relations seemed excellent.<sup>19</sup>

The breakdown of the relationship was an effect of the Tiananmen Square massacre that took place on June 4<sup>th</sup>, 1989. Mass demonstrations of students to commemorate Hu Yaobang, a long-standing first secretary of the Chinese Communist Party, perceived as the leader of the liberal wing in the party, turned into a long-lasting occupation of the main square of Beijing – Tiananmen.<sup>20</sup> The authorities decided to suppress it by force. The Tiananmen massacre resulted in many international sanctions, which were necessary to pacify worldwide public opinion.<sup>21</sup> But even in the United States this massacre wasn’t condemned by everybody. One of the main realism theoreticians, H. Kissinger, said that there was no government in the world that would let tens of thousands of demonstrators block the main square of the capital for eight weeks.<sup>22</sup>

Despite the above and the administration’s attitude, it was the U.S. that first imposed sanctions.<sup>23</sup> President Bush and his administration joined the overall criticism of China, but began working on saving Sino-American relations at the same time. The president was sure that the Tiananmen events wouldn’t lead to an end in economic reforms and that these would result in notable political changes in the future.<sup>24</sup> In July he sent his National Security Adviser B. Scowcroft and Deputy Secretary of State L. Eagleburger on a secret mission to Beijing. Their mission wasn’t accomplished.<sup>25</sup> In spite of this, Bush insisted on maintaining the communication lines with Beijing, which became very important the following year.

The imposed sanctions and the world’s reaction to the Tiananmen events caused significant changes in Chinese foreign policy. One should emphasize three elements. The first was the fear of losing political autonomy and internal stability with reference to close economic relations with the United States. Second – the strategic situation analysis in the region in the context of the declining role of the PRC for the U.S., and

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<sup>18</sup> See G. Bush, B. Scowcroft, *A World Transformed*, A.A. Knopf, New York 1998, p. 91.

<sup>19</sup> Ibidem, pp. 95–96.

<sup>20</sup> See P. Tyler, *A Great Wall: Six Presidents and China: an Investigative History*, Public Affairs, New York 1999, pp. 353–356.

<sup>21</sup> See S. Levine, *China and America: The Resilient Relationship*, “Current History”, September 1992.

<sup>22</sup> See M. Riccards, *The Presidency and the Middle Kingdom: China, the United States, and Executive Leadership*, Lexington Books, Lanham 2000, p. 210.

<sup>23</sup> The most important of these were: the U.S. Trade and Development Agency (TDA) suspending its activities; Overseas Private Insurance Corporation (OPIC) – new activities suspended; the United States didn’t support the development bank lending and IMF credits to China except for projects that addressed basic human needs; no licenses could be issued for the export of any defense article on the U.S. Munitions List. See Department of State, *Background Note: China*, at <http://www.state.gov/p/eap/ci/ch/>

<sup>24</sup> See R. Garson, op.cit., p. 198.

<sup>25</sup> P. Tyler, op.cit., pp. 363–364.

third – an increase in Chinese nationalism.<sup>26</sup> We could also note the “conspiracy theories”, which say that the U.S. Congress and China’s foes in the United States united with the people in China to bring down the Chinese Communist Party.<sup>27</sup>

On the other hand, the U.S. administration had a lot of problems “at home.” Bush’s benevolent China policy was heavily criticized in the U.S. Congress, and the main target of criticism was the renewing of the Most Favored Nation clause (later called Normal Trade Relations).<sup>28</sup> The MFN to China was renewed in May 1990. Shortly after China was granted the MFN, the Chinese authorities allowed Fang Lizhi, the most famous Chinese dissident, to leave the country and decided to buy Boeing airplanes worth \$2 billion.<sup>29</sup>

Chinese rulers couldn’t do more than this, at least because of two reasons. The first was the traditional paradigm of Chinese politics and diplomacy (and of everyday Chinese life), dictating that whatever happens one should “save face.”<sup>30</sup> The second problem was the weakness of the emerging third generation of Chinese leaders, represented by Jiang Zemin.<sup>31</sup>

China’s situation radically changed after the Iraqi invasion of Kuwait in August 1990. It was mainly China that was to decide whether the UN Security Council would accept international intervention in Iraq. Chinese authorities saw the advantages of returning to the world stage as a country supporting solutions consistent with international law. What was important was that China was very closely bound to the idea of multilateralism in international relations, hence the cooperation in the framework of the United Nations seemed more beneficial. China didn’t support the use of force, but didn’t use the right of veto, either.<sup>32</sup> Despite some concessions, political relations remained quite tense till the end of Bush’s tenure, in spite of a fast improvement in social and economic relations.

### **The Evolution of Bill Clinton’s “Chinese Policy”**

Unlike G. Bush, the Democratic presidential candidate Bill Clinton was neither a foreign nor a Chinese policy expert. In his campaign he focused on domestic affairs, especially on improving the economy (his election slogan was “It’s the economy, stupid”). And it was the economy that could be a foreign policy tool in his hands, because free trade and economic development should lead to social and political changes.<sup>33</sup> The “China problem,” and particularly the human rights problem in China, was very vivid in American society, hence it was one of the very few foreign policy issues Clinton decided to deal with in his presidential campaign. The acting president

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<sup>26</sup> See Xiaoxiong Yi, *China’s U.S. Policy Conundrum in the 1990s: Balancing Autonomy and Interdependence*, “Asian Survey,” vol. 34, no. 8, August 1994.

<sup>27</sup> See D. Zweig, *Sino-American Relations and Human Rights: June 4<sup>th</sup> and the Changing Nature of Bilateral Relationship* [in:] W. Tow (ed.), *Building Sino-American Relations: An Analysis for the 1990s*, Paragon House, New York 1991, pp. 70–71.

<sup>28</sup> See D. Lampton, op.cit., p. 27.

<sup>29</sup> See P. Tyler, op.cit., p. 372.

<sup>30</sup> See A. Nathan, R. Ross, op.cit., pp. 22–23.

<sup>31</sup> See D. Lampton, op.cit., pp. 28–29.

<sup>32</sup> See M. Oksenberg, *The China Problem*, “Foreign Affairs,” Summer 1991; R. Garson, op.cit., pp. 200–208.

<sup>33</sup> See T. Paulsen, *Economic Diplomacy: Die Ökonomisierung der amerikanischen Außenpolitik unter Präsident Clinton 1993–1996*, Leske + Bundrich, Opladen 1999, pp. 9–25.

was strongly criticized for “coddling the dictatorship” (as the unconditional renewing of the MFN clause was called).<sup>34</sup>

Clinton entered the White House as a politician who would firmly place the problems of human rights or WMD proliferation on his agenda. Nomination of Winston Lord, a well-known critic of the Beijing regime, to Assistant Secretary of State for East Asia and Pacific Affairs seemed to indicate a tightening of the China policy. But even before his inauguration, Clinton met with Bush and said: “We have a big stake in not isolating China, in seeing that China continues to develop a market economy.”<sup>35</sup> This tendency was strengthened by the members of the newly created, National Economic Council headed by R. Rubin and lobbying groups. Despite his assurances, in June Clinton decided to renew the MFN clause to China, although he intended to make its renewing in 1994 dependent on “China’s overall significant progress” in human rights matters. As one of the commentators said, this solution had been agreed on by almost everybody, *i.e.* the Congress and the administration, but the only problem was the lack of the agreement by the most important partner – China.<sup>36</sup>

The decision to link the MFN renewal with “significant progress” is regarded as a serious mistake of the U.S. administration. From an objective point of view, everyone wanted the clause to be renewed, but they couldn’t renew it without at least symbolic concessions. Clinton was pressed by both business lobbies and consumer organizations, so he couldn’t oppose the MFN renewal and announced the “delinkage” in May 1994.<sup>37</sup> On the other hand, we must point out that the PRC leadership couldn’t do more, because it was very weak. Moreover, the conservative and anti-reformist wing in the party was prevailing, which posed a serious threat to Chinese reforms and U.S.–China relations.<sup>38</sup>

Beginning in 1993, the “comprehensive (constructive) engagement” strategy was applied. It worked on the assumption that developing social and economic contacts with China was reasonable and would lead to consolidation of the liberalizing tendencies in this country, even though its achievements in the field of human rights were not satisfying. This gradual easing of tensions in bilateral relations was also an element of, developed further in 1996, the strategy of “engagement and enlargement.” One of its main purposes was to maintain constructive relations with great powers, both allies and former foes, such as China and Russia, for the sake of their importance for U.S. security and prosperity.<sup>39</sup>

The first official meeting of Chinese and American presidents took place in November 1993 during the APEC (Asia-Pacific Economic Cooperation) summit in Seattle. Although both sides had made some conciliatory gestures before the meeting,

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<sup>34</sup> See W. Cohen, *America’s Response to China: A History of Sino-American Relations*, Columbia University Press, New York 2000, p. 227.

<sup>35</sup> See D. Lampton, *op.cit.*, p. 33.

<sup>36</sup> See P. Tyler, *op.cit.*, pp. 393–394.

<sup>37</sup> See D. Lampton, *America’s China Policy in the Age of the Finance Minister: Clinton Ends Linkage*, “China Quarterly,” no. 139, September 1994.

<sup>38</sup> See J. Fewsmith, *America and China: Back from the Brink*, “Current History,” September 1994.

<sup>39</sup> See D. Shambaugh, *Containment or Engagement of China? Calculating Beijing’s Responses*, “International Security,” vol. 21, no. 2, Autumn 1996.

its atmosphere wasn't very enthusiastic. Both Clinton and Jiang read earlier prepared speeches without any personal commentary.<sup>40</sup>

Despite the "comprehensive engagement" strategy and the steady progress in bilateral relations, the next two years were very difficult for both countries, mainly because of the "Taiwan problem." When the Taiwanese president Lee Teng-hui asked for a visa to attend the alumni meeting at his *Alma Mater* – Cornell University – Congress passed a resolution calling on the president to grant it. Bill Clinton capitulated and decided to allow Lee to attend the meeting, despite the assurance, given personally by W. Christopher, that Lee wouldn't receive the visa.<sup>41</sup>

There were additional sources of increasing tensions. First, the Senate Foreign Relations Committee (SFRC) passed a resolution in which Tibet was recognized as an occupied sovereign country and decided to appoint an official representative to this country. A dangerous indication of such a change was given in W. Lord's speech before the SFRC (in October 1994), in which he encouraged the strengthening of social and economic ties, but also the promotion of Taiwan's membership in international organizations, wherein the statehood wasn't necessary.<sup>42</sup> The last and the strongest episode of the confrontation over the Taiwan Strait was the Chinese maneuvers on the eve of the first democratic presidential election in Taiwan. The U.S. reacted very firmly, sending a strong fleet (including two aircraft carrier groups) to the region.<sup>43</sup>

The aforementioned events stirred up a strong increase in the anti-American and nationalist movement in China. Its expression was a book published by a group of journalists in 1996 titled *China Can Say No (Zhongguo Keyi Shuo Bu)*, wherein the authors reminded readers of one hundred years of humiliation and concluded that China deserved to regain its former glory, which would definitely happen in the 21<sup>st</sup> century. The book was very xenophobic, and was merely the first in a series of such works, many of which praised "Great Mao" and his policy.<sup>44</sup> Similar currents were visible in the U.S. American authors pointed out the Chinese threat to the world peace and to the U.S.A. particularly, because the U.S. was the main obstacle in the regional and global aspirations of China.<sup>45</sup>

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<sup>40</sup> See P. Tyler, op.cit., p. 400.

<sup>41</sup> There were three reasons Bill Clinton made the visa decision. First, he saw no way to explain denying the president of a democratizing, friendly country permission to attend a private meeting at his *alma mater*. Second, the president was approaching his annual MFN fight and didn't need additional trouble in Congress over China. Finally, the margins of vote on the House Concurrent Resolution were so large that if he resisted, Congress might pass legislation that would be even more damaging to the Sino-American relationship. See D. Lampton, op.cit., p. 50.

<sup>42</sup> See W. Lord, *Taiwan Policy Review: Statement Before Senate Foreign Relations Committee*, Washington, September 27, at [http://usinfo.org/sino/review\\_e.htm](http://usinfo.org/sino/review_e.htm)

<sup>43</sup> See R. Ross, *The 1995–1996 Taiwan Strait Confrontation: Coercion, Credibility, and the Use of Force*, "International Security," vol. 25, no. 2, Fall 2000; M. O'Hanlon, *Why China Cannot Conquer Taiwan*, "International Security," vol. 25, no. 2, Fall 2000.

<sup>44</sup> See Suisheng Zhao, *Chinese Nationalism and Its Foreign Policy Ramifications* [in:] Ch. Marsh, J. Dreyer (eds.), *U.S.–China Relations in the Twenty-First Century: Policies, Prospects and Possibilities*, Lexington Books, Lanham 2003, pp. 67–68.

<sup>45</sup> Here one should mention R. Bernstein, R. Munro, *The Coming Conflict with China*, A.A. Knopf, New York 1997; E. Timperlake, W. Tripplet, *Red Dragon Rising: Communist China's Military Threat to America*, Regnery Pub, Washington 1999; B. Gertz, *The China Threat: How the People's Republic Targets America*, Regnery, Washington 2000.



Despite the problems depicted above, the opinions, that “there is no real alternative to engaging China” started to prevail already in 1997.<sup>46</sup> At the 1997 APEC summit in the Philippines, Clinton and Jiang agreed to Jiang’s visit to Washington and a summit meeting in Shanghai in 1998. During Jiang’s visit, both presidents focused on the role of bilateral cooperation in the world (the problems of security, ecology, *etc.*).<sup>47</sup> More detailed arrangements were made in 1998 throughout Clinton’s visit to Shanghai. The wide range of issues encompassed: reprogramming nuclear weapons not to target each other; beginning negotiations about Chinese joining the Missile Technology Control Regime (MTCR); agreements dealing with an export of chemical and biological weapons and anti-personnel landmines; creation of a direct presidential link to communicate more effectively; and consultation concerning regional stability, especially on the Korean Peninsula and in the Middle East.<sup>48</sup> Furthermore, what was very important to China was that president Clinton announced his so-called “three nos policy” doctrine, in which he stated that the U.S. would not support: the independence of Taiwan; the two Chinas (or one China, one Taiwan) policy; or the membership of Taiwan in international organizations comprised solely of sovereign states.<sup>49</sup>

This visit may be regarded as the crowning of the evolution of Clinton’s policy towards China. Moreover, he strongly engaged in promotion of PRC membership in the World Trade Organization, hoping that it would hasten democratization and liberalization in the country.<sup>50</sup> One should also emphasize that both the president and the secretary of state Madeline Albright described the relationship with China as “strategic cooperation” or “a strategic partnership.”<sup>51</sup>

This “strategic partnership” was put to the test in 1999 again. In April, Chinese prime minister Zhu Rongji came to the U.S. to finalize the bilateral negotiations concerning the PRC’s membership in the World Trade Organization. He agreed to make almost all the concessions the U.S. wanted, and in spite of the NATO intervention in Kosovo (which began on March 24<sup>th</sup>) he decided to pay a visit to the U.S. Unfortunately, he had to leave empty-handed, because the president and his advisors were afraid that the negotiated agreement would be rejected by the Congress.<sup>52</sup>

The situation was complicated by the May bombing of the Chinese embassy in Belgrade. It resulted in anti-American riots in China. The riots, however, were soon stopped, because they could be a threat to authority, and the Chinese had received an

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<sup>46</sup> See D. Shambaugh, *The United States and China: Cooperation or Confrontation*, “Current History,” September 1997.

<sup>47</sup> See *Remarks by President Clinton and President Jiang Zemin at Arrival Ceremony*, The White House 1997, at <http://usinfo.state.gov/regional/ea/uschina/jiagarv.htm>

<sup>48</sup> See Fact Sheet, *Achievements of U.S.–China Summit*, The White House 1998, at <http://clinton5.nara.gov/textonly/WH/New/China/19980627-7898.html>

<sup>49</sup> See H. Harding, *American China Policy under the Bush Administration: Change and Continuity* [in:] A. Rosenbaum (ed.), *U.S.–China Relations and the Bush Administration: a New Paradigm or Continuing Modalities*, Keck Center for International and Strategic Studies, Claremont 2003, pp. 68–69.

<sup>50</sup> See *Remarks by the President in Foreign Policy Speech*, The White House 1999, at <http://usinfo.state.gov/regional/ea/uschina/clint407.htm>

<sup>51</sup> See T. Carpenter, *Roiling Asia; U.S. Coziness with China Upsets the Neighbours*, “Foreign Affairs,” November/December 1998.

<sup>52</sup> See J. Fewsmith, *The Politics of China’s Accession to the WTO*, “Current History,” September 2000.



official apology and compensation for the bombing.<sup>53</sup> The next problem was an interview given by Lee Teng-hui, the Taiwanese president, on the Deutsche Welle (a German international radio), in which he described the relations between China and Taiwan as special state-to-state relations, which was a slap on the cheek for Chinese politicians.<sup>54</sup> His statement was moderated afterwards under pressure from the U.S.

The situation improved in November, when the agreement concerning Chinese entry to the WTO was signed (it was discussed during the APEC summit in New Zealand). On October 10<sup>th</sup>, 2000 Bill Clinton established the Permanent Normal Trade Relations with China, which was the condition of Chinese membership in the World Trade Organization.

### **The Main Challenges to G.W. Bush Administration**

The presidential election in 2000 seemed to be a kind of turning point in bilateral relations. “The strategic partnership” with China, as it was called by President Clinton and his administration, was replaced with the term “strategic competition” by of G.W. Bush’s team. Researchers have pointed out that this declared policy was only an attempt to show the differences between the current and former administration.<sup>55</sup>

What problems did the new administration have to face, and how was it able to handle them?<sup>56</sup> The first and most important problem was connected with the Taiwan Strait. President Bush promised to sell advanced weaponry to the island. This would probably only exacerbate the tensions on the strait.<sup>57</sup>

The next important difficulty was the project of the National Missile Defense (NMD), officially targeted at the “rogue states,” but very dangerous for the People’s Republic of China, which had only about 20 Intercontinental Ballistic Missiles (ICBMs). The Chinese nuclear potential would become useless in the aftermath of the creation of this system. But the most disturbing thing for China was the project of the Theater Missile Defense that would protect the U.S. allies in Asia, and could include Taiwan.<sup>58</sup> The next disputed point was the net of U.S. alliances in the region, which was a potential field of Chinese expansion. But on the other hand, the American presence there was a crucial element of the security architecture in the region and the lack of stability there could be dangerous for China and its economic development as well.<sup>59</sup> The new administration’s China policy was, however, compromise-minded, and the relations shaped up well.

An important change in the strategic situation of the PRC was the aftermath of the September 11<sup>th</sup> terrorist attacks on the World Trade Center and the Pentagon, and the “war on terrorism” that stemmed from them. As Strobe Talbott has written, the U.S.

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<sup>53</sup> See Suisheng Zhao, *op.cit.*, pp. 70–78.

<sup>54</sup> See D. Lampton, *op.cit.* 2001, p. 62.

<sup>55</sup> See D. Bachman, *The United States and China: Rhetoric and Reality*, “Current History,” September 2001.

<sup>56</sup> See D. Shambaugh, *Facing Reality in China Policy*, “Foreign Affairs,” January/February 2001.

<sup>57</sup> See A. Romberg, *Taiwan in U.S.–PRC Relations: A Strategic Perspective* [in:] A. Rosenbaum (ed.), *op.cit.*, p. 100.

<sup>58</sup> See *National Missile Defense: What Does It All Mean?*, Center for Defense Information, Washington 2000.

<sup>59</sup> See T. Christensen, *Posing Problems without Catching Up: China’s Rise and Challenges for U.S. Security Policy*, “International Security,” vol. 25, no. 4, Spring 2001.

administration, which had been looking for a new enemy to replace the Soviet Union, didn't have to look any further. It found it, and it was global terrorism.<sup>60</sup>

A couple of days after the terrorist attack, the Chinese president Jiang Zemin called President Bush and promised wide support and cooperation in fighting against world terrorism. The Chinese help perhaps wasn't very important from a military point of view, but China was a permanent member of the UN Security Council, hence it could facilitate the American action. On the other hand, through its participation in the anti-terrorist coalition China wanted to justify its campaign against Muslim Uyghurs inhabiting the Xinjiang Autonomous Region.<sup>61</sup>

Summarizing, one must point out that the U.S. anti-terrorist campaign made good relations with other countries, especially China, more important, and concurrently reduced pressure on such "inconvenient" matters as human rights abuses, and this led to the best Sino-American relations ever.

### **Conclusions – Prospects of the Relations**

In the 12 years we've examined in this article, we can see that bilateral relations improved significantly. They evolved from the crisis in 1989 to become more stable and peaceful, which is particularly visible when we compare the reactions to the 1996 Taiwan Strait crisis to the much more balanced response to the EP-3 collision in 2001.

There are a couple of reasons that have brought about this gradual improvement. First and foremost is the economic reason – bilateral trade and investments are important for both sides (statistically they are more important for China, but in the U.S. industrial lobbies as well as consumers are stronger). We cannot neglect the role of social contacts, of course. The political relations tend to be good as well, because each side aims at the assurance of peace and stability in the region, which is essential for their harmonious development.

We can't forget, however, that there are a lot of contradictions in the relations. The most important one is the Taiwan question. On the one hand, the U.S. accepts and supports "the one China policy," while on the other it's Taiwan's ally (in the aftermath of the Taiwan Relations Act). The Taiwan question is regarded as one of the most dangerous in contemporary international relations. The next problem is connected with WMD proliferation, although significant progress has been made in this area, mainly because the proliferation is detrimental to China as well. Difficulties in bilateral relations are caused also by human rights abuses in the PRC, but the market reforms and gradual opening of this country has resulted in ongoing improvement in this field. The subject of the National Missile Defense has become particularly sensitive recently. Its creation would make the Chinese nuclear potential practically useless, depriving China of one of its "superpower" attributes.

And here is the heart of the matter and the basic contradiction between these two countries. Both of them aim at gaining the dominant place in the world, or – to be exact – the U.S. wants to preserve its superiority and China pretends to gain it. The PRC is currently too weak (if we look at the economy and military potential) to challenge the

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<sup>60</sup> S. Talbott, *U.S.-China Relations in the Changing World* [in:] Ch. Marsh, J. Dreyer, op.cit., p. 8.

<sup>61</sup> See C. Dalpino, M. Pei, *Beijing's Chance to Forge True Alliance*, "South China Morning Post," September 19, 2001, at <http://www.brookings.edu/views/op-ed/dalpino/20010918.htm>

U.S. Analyses reveal, however, that the Chinese economy will outrun the American, which is a simple premise to elude the American military potential as well.

Will the U.S. allow it, and will there be a confrontation between the two powers? Presently the Asia-Pacific region is the field in which their interests and superpower ambitions intersect. The U.S. turns towards this region more and more, while China regards it as its regional power influence zone. There have been no incidents heralding an imminent conflict, however.

It's not happening because both countries care about maintaining a stable and peaceful world system, which both of them guaranteed a place at the top, which is stressed by the theoreticians of interdependence. The potential confrontation could cost the U.S. the loss of its dominant position in the world system. China risks the breakdown of its economy, which could lead to large-scale social unrest and result in the fall of the CCP. This is why both countries will probably compete solely in the economic field and avoid an open conflict.

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